

REPORT TO: Cabinet

MEETING DATE: 14 January 2014

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Charging for Homeless Services

1 PURPOSE

- 1.1 To seek Cabinet approval to implement revised charges for the provision of homeless services.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves the recommended charges for the provision of Bed and Breakfast accommodation and furniture storage detailed in sections 3.7, 3.11 and 3.15 of this report.

3 BACKGROUND

- 3.1 The Code of Guidance on Homelessness allows the Council to make a reasonable charge for services such as the provision of bed and breakfast accommodation and for the costs of storage where the Council has to provide such facilities to safeguard the furniture of homeless families.
- 3.2 In May 2009 the Council agreed to introduce a number of charges for these services. In relation to bed and breakfast accommodation the Council agreed that applicants in receipt of any form of means assessed benefit should be exempt from any charge. It was also agreed that the charge for those not in receipt of benefits should be based on 50% of rental for a local authority house of a suitable size for the clients.
- 3.3 For single people, who represent over 90% of those accessing bed and breakfast accommodation, this led to a charge of approx £21 per week.

- 3.4 Since 2009 a number of factors have altered in the provision of such accommodation:
- The Council has increased its temporary housing supply, particularly of smaller houses
 - The Council has re-procured the bed and breakfast service and within that process has increased the options to homeless people accessing such accommodation.
 - The legislative changes in 2012 have led to a significant alteration in the council's legal obligations in the providing temporary accommodation. Previously cases seen as not being in priority need were provided with accommodation, along with advice and assistance for a period of time, to allow them to secure accommodation. The removal of the concept of priority need means that the duty is now to provide accommodation until settled accommodation is secured.
 - The introduction of the Housing Options approach has seen the Council assisting people to access accommodation in other tenures, often the private rented sector, as a means of preventing homelessness.
- 3.5 Given the factors outlined above, and the passage of time since the initial charges were set it is appropriate that the charges for bed and breakfast are reviewed and updated.
- 3.6 It is recommended, given the wider use of the private sector in preventing homelessness, that this sector is used for benchmarking alternative housing costs. Therefore it is recommended that, with effect from the 1st April 2014 the charge for bed and breakfast is based on the "shared room" rate established for Local Housing Allowance purposes.
- 3.7 The Department of Work and Pensions sets the "shared room rate" within the Local Housing Allowance system. For 2013/14 it is £288.99 per month, which would lead to a bed and breakfast charge of £66 per week for those not on benefits.
- 3.8 It is estimated that around 21% of applicants accessing bed and breakfast would be liable for this charge, which will be approximately 70 applicants per year. As with the current arrangements the Council would be invoiced net of any charge by the provider, therefore any additional charge will result in a reduction in expenditure rather than direct income to the Council.
- 3.9 The impact of the proposed charges would be savings of approximately £29,000 per year. Whilst the saving is welcome the main driver for the change is to more realistically reflect the housing costs faced by a person in similar accommodation.

3.10 Tenants in receipt of housing benefit assistance only receive such assistance in relation to rent cost and have to meet other costs as heating and lighting. Therefore to reflect more realistic housing costs in bed and breakfast accommodation, it is recommended that a charge is made to all applicants to cover such costs

3.11 It is recommended that a charge of £15 is made to all applicants to reflect fuel costs, which they would have to meet if they were in their own or shared accommodation in other sectors.

3.12 The table below shows the impact of these changes for applicants depending on their circumstances

Weekly Charges	Current B and B Charge	Current Heating Charge	Proposed B and B Charge	Proposed Heating Charge	Change in costs to an applicant
Applicant on some form of benefit	£0	£0	£0	£15	£15
Applicant not on benefit	£21	£0	£66	£15	£60

3.13 With regard to removal and storage the Council agreed in 2009 that applicants who did not qualify for assistance with housing costs through the Benefit System would be charged 50% of the storage costs for their belongings. These costs range from approximately £27 per week for the contents of a 2 bed-roomed house to £46 per week for a 4 bed roomed property. For those in receipt of income support or some other form of means assessed benefit, the charge was set at £5 per week.

3.14 In addition to the storage costs, the Council incurs costs for the initial uplift of goods into storage and return to the accommodation eventually secured by the applicant.

3.15 It is recommended that applicants are charged for the total cost of the storage process with payments on the same basis as outlined in 3.13 i.e. capped at 50% of total cost. These charges will take effect from the 1st April 2014.

3.16 In all cases the charge will be collected at the conclusion of the storage period and where appropriate arrangements will be made for the charge to be recovered in instalments.

4 POLICY IMPLICATIONS

- 4.1 The proposal represent a change of emphasis within the Council's Homelessness policy but does not significantly alter the policy in relation to homelessness assessments or any other aspects of policy such as the Housing Options Approach.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the wellbeing of equalities group and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The cost of providing bed and breakfast accommodation and storing furniture during 2012/13 was over £438,000. It is estimated that these changes have the potential to reduce costs by approximately £50,000 annually. In addition, it will also bring the costs that homeless clients pay for accommodation into line with those they will face in other forms of accommodation.

6.2 Personnel - None.

6.3 Other - None.

7 BACKGROUND PAPERS

- 7.1 Members Library Report – Charging for Homeless Services 31st May 2009

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